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Fugitive Former Spy Lured Out of Libya, Trapped at Kennedy

By PHILIP TAUBMAN

Edwin P. Wilson, a fugitive former American intelligence agent, was arrested by Federal agents in New York City yesterday after being snared in an international trap set by the Justice Department.

Mr. Wilson is charged with illegally shipping explosives to Libya and other crimes. Federal prosecutors have also asserted that he developed a terrorist training program in Libya where he has been living since 1980.

Attorney General William French Smith announced in Washington that Mr. Wilson was arrested by United States marshals at John F. Kennedy International Airport yesterday afternoon after he arrived from the Dominican Republic.

Mr. Wilson was taken to the United States Courthouse in Brooklyn, where a Federal magistrate set bail at \$20 million and ordered him held overnight in New York pending the arrival of his lawyer. A court proceeding is scheduled for today.

Mr. Wilson, who appeared weary and resigned, was led into the court in handcuffs. Standing well over six feet, with thinning gray hair, he was dressed in a dark business suit. At the hearing, he was surrounded by Federal agents and prosecutors. He spoke only briefly, say-

Ex-Spy Lured From Libya and Caught in U.S. Trap

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ing his lawyer, John A. Keats, was coming from Washington.

The capture ended a year-long effort by the Government to catch Mr. Wilson by luring him out of Libya, where he lived and conducted a variety of businesses, including international arms sales and the provision of Western personnel and material to Libya.

Mr. Smith said that the Dominican Republic, who had been alerted to Mr. Wilson's travel plans by the United States, placed him on the nonskip flight to New York this morning after they found that he was traveling on an illegitimate Irish passport, in the name of Philip McCormick. Mr. Smith said Mr. Wilson offered no resistance.

Federal officials said that Mr. Wilson had left his haven in Libya to travel to the Dominican Republic in the false belief, apparently cultivated by associates who were secretly cooperating with the Justice Department, that he would be given sanctuary there.

Terpil Apparently in Beirut

Frank E. Terpil, another former American intelligence agent who was indicted with Mr. Wilson in 1980 on a range of charges including conspiracy to commit murder and the illegal export of military articles, remains a fugitive, Mr. Terpil apparently lives in Beirut, Lebanon, where he recently reappeared after a long absence, according to Federal law enforcement officials.

Justice Department officials said today that the activities of Mr. Wilson and Mr. Terpil and their associates remained under investigation by Federal grand juries in several American cities and that additional indictments were likely this summer.

The case has involved mystery and dispute since it first came to the attention of the Government in 1976 when an associate of Mr. Wilson, Kevin

P. Mulcahy, told the authorities that Mr. Wilson was shipping explosives to Libya.

After several false starts, at least five Federal agencies became involved in the investigation and determined that Mr. Wilson, who had worked as a covert agent for the Central Intelligence Agency, and Mr. Terpil had made a deal in 1976 with Col. Muammar el-Qaddafi, the Libyan leader, to sell their expertise in intelligence and military matters to Libya.

Terrorist Training Involved

As part of the arrangement, according to the indictment, the two helped establish a program for the manufacture of bombs and the training of terrorists, recruiting American ordinance experts and former Army Special Forces troops to serve as instructors.

The Central Intelligence Agency has repeatedly denied playing any role in the Libyan operation. Federal prosecutors are investigating the possibility that several senior officials at the agency, who had worked closely with Mr. Wilson while he was an agent, gave tacit approval to the plans in hope that it would produce intelligence information for the Government.

More recently, Mr. Wilson was reported to have recruited former American and British military pilots and mechanics to help fly and maintain Libyan planes and helicopters. Some of the men involved said last year that in 1980 they participated in a Libyan military intervention in Chad, a neighboring North African nation.

Mr. Wilson also shipped sensitive American electronic equipment, including parts of classified weapons systems, to Middle Eastern countries, according to Federal investigators and former associates.

Efforts to catch Mr. Wilson began in earnest last year. Justice Department officials said today. Several plans that

involved efforts to get him to leave Libya were aborted when he became suspicious, these sources said.

The plan that ended with Mr. Wilson's arrest began to unfold several months ago, Justice Department officials said. Working closely with several men trusted by Mr. Wilson, the department planted the idea that he would be welcomed in the Dominican Republic.

Apparently weary of his austere life in Tripoli, the Libyan capital, Mr. Wilson showed an interest in moving to the Caribbean island, law-enforcement officials said. As time passed, he was told by his associates, whom the Government declined to identify, that the Dominican Government would assure his security and give him free rein to operate his businesses. Officials would not say whether the Dominican officials were involved and actually gave Mr. Wilson such assurances.

Presumably confident, Mr. Wilson left Tripoli several days ago on his way to the Dominican Republic, with brief stops in Switzerland and Madrid. Law-enforcement officials said that Mr. Wilson, traveling under an assumed name on the Irish passport, never left the international zone of the two European airports. He made several calls to bankers while in Switzerland, they said.

He Was Being Shadowed

In Madrid, Mr. Wilson, who was being shadowed by marshals, boarded Iberia Airlines flight 945 for Santo Domingo, the Dominican capital.

After arriving there at 4:40 A.M. yesterday, Mr. Wilson was detained in the international zone of the airport by the Dominican authorities. Just before 9 A.M., the scheduled departure time for Dominican Airlines flight 902 to New York, Mr. Wilson was notified that his travel documents were not in order, and he was placed aboard the nonskip flight to the United States.

Because Mr. Wilson was never admit-



A sketch of Edwin P. Wilson, right, at his arraignment yesterday at the United States Courthouse in Brooklyn. Presiding is Judge A. Simon Chreim; before him is Assistant U.S. Attorney Lawrence Barrella.

ted to the Dominican Republic, not formally charged there, it was not necessary to go through extradition proceedings to bring him to the United States, Justice Department officials said.

United States marshals who were Mr. Wilson's unannounced companions on the flight placed him under arrest when the plane landed at Kennedy Airport, officials said.

Justice Department officials said that the Marshal Service took part in the operation because officials of the Federal Bureau of Investigation and the Bureau of Alcohol, Tobacco and Firearms, two agencies that played key

roles in the investigation of Mr. Wilson, had declined to participate. Those agencies contended that they considered the plans "too risky." Mr. Smith, the Attorney General, said the Marshal Service was given the assignment because it had jurisdiction over fugitives.

Mr. Wilson was led before Magistrate A. Simon Chreim in Federal Court in Brooklyn after his arrest. At the 25-minute hearing, Mr. Wilson was described by prosecutors as "intelligent and resourceful."

At the recommendation of the Government, Magistrate Chreim set bail at \$20 million. He scheduled the second

hearing, at which the transfer of Mr. Wilson to Washington where he was indicted, will be discussed. Federal authorities said Mr. Wilson would be held overnight at an undisclosed location in the New York area.

Justice Department officials said he would be formally arraigned in Washington after he was transferred there, probably later this week. Officials said that they hoped to bring Mr. Wilson to trial, although they acknowledged that his access to secret information and involvement in covert operations over the years might present problems.